



Indiana State Teachers' Retirement Fund

Member Handbook



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Table of Contents

Table of Contents	3
About the Indiana State Teachers' Retirement Fund	6
<i>History.....</i>	<i>7</i>
<i>Mission.....</i>	<i>7</i>
<i>Board of Trustees</i>	<i>7</i>
<i>Membership and Asset Totals</i>	<i>7</i>
<i>Indiana Code and Indiana Administrative Code Governing the Indiana State Teachers' Retirement Fund.....</i>	<i>7</i>
Interactive Web	9
<i>Registering.....</i>	<i>10</i>
<i>Online Services.....</i>	<i>11</i>
<i>Tips</i>	<i>12</i>
Membership	13
<i>Eligibility and Enrollment</i>	<i>14</i>
<i>Suspension of Membership</i>	<i>14</i>
<i>Benefits Overview.....</i>	<i>15</i>
<i>Service Credit</i>	<i>15</i>
TRF Covered Position	15
PERF Covered Position	16
Other Service Credit.....	16
Out-of-State Service and Federal Service	17
Private School Service	17
Military Service	17
Purchasing Additional Service	18
Important Note about Service Credit.....	19
Defined Benefit Pension	20
<i>Eligibility.....</i>	<i>21</i>
Vesting	21
Regular Retirement	21
Early Retirement.....	21
Age 70 Benefits	22
<i>Your Benefit</i>	<i>22</i>
Factors	22
Benefits Calculator	22
<i>Payment Options</i>	<i>23</i>
A-1 (5-year Certain and Life).....	23
A-2 (Straight Life)	23
A-3 (Modified Cash Refund Plus 5-year Certain and Life).....	24

B-1 (100% Survivor Benefit).....	24
B-2 (66 2/3% Survivor Benefit).....	24
B-3 (50% Survivor Benefit).....	24
Social Security Integration	24
Annuity Savings Accounts	25
<i>Mandatory Contributions</i>	<i>26</i>
<i>Voluntary Contributions</i>	<i>26</i>
Voluntary Pre-Tax Contributions	26
Voluntary Post-Tax Contributions	27
<i>Investment Election Options for an Annuity Savings Account</i>	<i>27</i>
Standard and Poor (S&P) 500 Index Fund	27
International Fund	27
Small Cap Equity Fund.....	27
Bond Fund.....	28
Guaranteed Fund	28
<i>ASA Allocation Changes</i>	<i>28</i>
<i>Beneficiary Designation.....</i>	<i>28</i>
<i>Quarterly Statement</i>	<i>28</i>
<i>Voluntary Withdrawal/Disbursement of ASA Other than Retirement .</i>	<i>29</i>
Eligibility	29
Penalties.....	29
<i>ASA Options at Retirement</i>	<i>30</i>
ASA 1	30
ASA 2	30
ASA 3	30
ASA 4	30
ASA 5	31
ASA 6	31
ASA 7	31
Rollover Savings Account	32
<i>Investment Election Options for a Rollover Savings Account</i>	<i>33</i>
<i>Rollover Savings Account Allocation Changes</i>	<i>33</i>
<i>Beneficiary Designation.....</i>	<i>33</i>
<i>Quarterly Statements.....</i>	<i>33</i>
<i>Voluntary Withdrawal Other Than at Retirement.....</i>	<i>34</i>
<i>Retirement Payment Selections</i>	<i>34</i>
Rollover 1	34
Rollover 2	34
Rollover 3	34
Rollover 4	34
Rollover 5	34
Retirement.....	36
<i>Retirement Appointments</i>	<i>37</i>
<i>Application for Retirement</i>	<i>37</i>

<i>Determining Retirement Date</i>	37
<i>Preliminary and Final Calculations and Payments</i>	37
<i>Deductions</i>	38
<i>Cost of Living Adjustment (COLA)</i>	38
Working after Retirement	39
<i>TRF and PERF Covered Positions</i>	40
<i>Age 70 Reemployment</i>	41
Disability Benefits	42
<i>Classroom Disability Benefit</i>	43
<i>Disability Retirement</i>	43
Death of a Member	45
<i>Death While in Service</i>	46
<i>Death While Not in Service</i>	46
<i>Death of Retiree</i>	47
General Information	48
<i>Access to Records</i>	49
<i>Guardians</i>	49
<i>Power of Attorney</i>	49
<i>Trusts</i>	50
<i>Payments to a Trust</i>	50
<i>Trust as a Death Beneficiary</i>	50
<i>Divorce</i>	50
<i>Health Insurance</i>	50
Office Information	52
<i>Hours</i>	53
<i>Contact Information</i>	53
<i>Driving Directions</i>	53
<i>If arriving from Richmond, Indiana (I-70 W)</i>	53
<i>If arriving from Ft. Wayne, Indiana (I-69 S)</i>	53
<i>If arriving from Lafayette, Indiana (I-65 S)</i>	53
<i>If arriving from South Bend, Indiana (US 31 S)</i>	54
<i>If arriving from Terre Haute, Indiana (I-70 E)</i>	54
<i>If arriving from Columbus, Indiana (I-65 N)</i>	54
<i>Parking</i>	54
Frequently Asked Questions (FAQs)	55



About the Indiana State Teachers' Retirement Fund

About this Handbook

This handbook provides general information for members of the Indiana State Teachers' Retirement Fund. For specific information, contact the TRF office at (317) 232-3860 or (888) 286-3544.

All IC and IAC references in this document are available online at the Indiana General Assembly Web site at <http://www.in.gov/legislative/ic-iac>.

About the Indiana State Teachers' Retirement Fund

History

The Indiana General Assembly created the Indiana State Teachers' Retirement Fund (TRF or Fund) in 1921. Since its establishment, the laws governing the administration of TRF have changed and expanded to respond to the needs of TRF members.

Mission

To prudently manage the Fund in accordance with fiduciary standards, provide quality benefits, and deliver a high level of service to TRF members while demonstrating responsibility to the citizens of the State.

Board of Trustees

A six-member Board of Trustees governs TRF. Five trustees are appointed by the Governor, two of whom must be members of the Fund. The sixth member of the Board is the Director of the Budget Agency or the Director's designee. An Executive Director, appointed by the Governor, carries out the policies set by the Board and leads the Fund on a daily basis. The Executive Director is required to be a TRF member.

The Board establishes investment policies in accordance with the "prudent investor standard." Under this standard, investment decisions are made with the same degree of care that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a similar character with similar aims.

Membership and Asset Totals

As of June 30, 2007, TRF had over 150,000 active, inactive and retired members and beneficiaries and managed approximately \$9 billion dollars in assets.

Indiana Code and Indiana Administrative Code Governing the Indiana State Teachers' Retirement Fund

The Indiana Code (IC) Sections 5-10.2 and 5-10.4, Title 550 of the Indiana Administrative Code (IAC), and Section 401 of the Internal Revenue Code govern TRF, as well as specific resolutions adopted

by the Board of Trustees. These codes are available online at the Indiana General Assembly web site at http://www.in.gov/legislative/ic_iac.



Interactive Web

Interactive Web

Registering

TRF offers an online account management system with the convenience of 24-hour access, interactive account updates, and more. The TRF Interactive Web site replaces the process of mailing forms. To take advantage of this service, a member must register online at the TRF Web site (figure 1) located at <http://www.in.gov/trf/>.

Once on the home page, choose My Account on the left side. That will direct you to the Login Page (figure 2). You will be asked to register with your email address as your username (figure 3). A PIN will be sent to the email address you register with and the PIN may be changed the next time you log in.



Figure 1 – Home Page of the TRF Interactive Web Site

Figure 2 – TRF Interactive Web Site, Login Page

Figure 3 – TRF Interactive Web Site, Apply for PIN Page

The TRF Interactive Web site offers the following features:

- *Update address and beneficiary information and investment allocations*
- *View quarterly statements*
- *Calculate retirement benefit estimates*
- *Manage tax withholdings*

Online Services

On the TRF Interactive Web site, members are able to do the following:

- Update address information
- Update investment allocations

- Update beneficiary information (active members only)
- View quarterly statements
- Calculate a retirement benefit estimate
- Manage tax withholdings
- Manage direct deposit information

Changes made online are effective immediately. TRF continues to add services to this online account management system. Members are notified of added features and benefits through newsletter articles and Web site postings.

Tips

For security reasons, TRF deactivates accounts when notified of undeliverable e-mails. When this occurs, members are required to apply for a new PIN before they may access their account.

To use the TRF online account management system, the member must ensure the e-mail provider does not block e-mails from “@trf.in.gov” and that the e-mail address on file is current.



Membership

Substitute teachers qualify as members after one year of service (120 days in one fiscal year or 60 days in each of any two fiscal years).

Charter schools may opt out of TRF if they offer an alternative retirement plan.

Membership

Eligibility and Enrollment

All legally qualified teachers who are regularly employed in the public school system of Indiana or in qualified positions at certain state institutions, as well as all TRF employees, must be members of TRF. Some legally qualified State employees and employers are eligible for optional enrollment. A legally qualified substitute teacher may be a member of TRF upon completion of one year of service (defined as 120 days in one fiscal year or 60 days in each of any two fiscal years).

Often, employers will enroll the new member online. Otherwise, a prospective member can enroll by completing an *Enrollment Form for New Members*. This form may be obtained through the member's employer or from the TRF web site at <http://www.in.gov/trf/>. Once this form is processed, the member receives a welcome mailing that includes the member's TRF number.

Suspension of Membership

By Member

Generally, a member who is no longer employed in a TRF or PERF covered position, does not plan to return to a TRF or PERF covered position, and is not eligible for a retirement pension benefit or a disability retirement benefit may suspend his or her membership and may withdraw the balance of the member's Annuity Savings Account (ASA).

A member who is vested, not retired, not currently employed in a TRF or PERF covered position, and is transferring TRF creditable service to another governmental retirement plan may suspend membership in order to withdraw the member's ASA and Rollover ASA to purchase creditable service in the other governmental retirement plan.

By TRF

The membership status of a member with less than 10 years of covered service is automatically suspended five years after leaving a TRF covered position.

The membership status of a member with less than 10 years of covered service may be suspended two years after leaving a TRF covered position if the value of the member's ASA is \$200 or less.

Members with at least 10 years of service in a TRF or PERF covered position are considered vested in their defined benefit pension.

*A member may **not** earn more than one year of service credit during a fiscal year.*

TRF can automatically issue reimbursements to inactive members with less than \$200 in their ASA.

Benefits Overview

A member's retirement benefits consist of a defined benefit pension and an Annuity Savings Account (ASA).

- The member's **defined benefit pension** is paid as a lifetime monthly benefit and is funded by the State or the member's employer. To become eligible for a benefit, the member must be vested with 10 years of creditable service in a covered position. Refer to the Defined Benefit Pension section for additional information.
- The member's **ASA** contains the mandatory three percent of annual compensation contribution made by the member or the member's employer as well as any voluntary contributions made by the member. A member is immediately vested in the ASA and receives a detailed statement of account activity and balance information each quarter. Refer to the Annuity Savings Account section for additional information.
- A member may also have a **Rollover Annuity Savings Account** (Rollover ASA) for which the member receives a detailed statement of account activity and balance information each quarter. Refer to the Rollover Annuity Savings Account section for additional information.

Service Credit

The most common form of service credit is service earned in a position covered by TRF or the Public Employees' Retirement Fund (PERF). Additional service credit may be available as described in the section Other Service Credit. Other service credit does not count toward vesting but does count toward creditable service used in calculating the defined benefit pension.

TRF Covered Position

Regular Employment

TRF members earn one year of service credit for working 120 or more days in a fiscal year. One-half year of credit is earned for working between 60 and 119 days in a fiscal year. Service credit is measured by a fiscal year that runs from July 1 through June 30. Any time worked during a work day entitles members to a full day of service credit.

Service Credit Analysis

TRF encourages members to request a service credit analysis approximately two years prior to retirement to allow for additional verification, if needed.

Substitute Teachers

Substitute teachers who are members of the Fund earn one year of service credit if they work 120 days in a fiscal year or between 60 and 119 days per year over two fiscal years.

Leaves of Absence

TRF members who are teachers may earn credit for eligible leaves of absence if the leave is approved by the school board of the corporation granting the leave. To receive service credit for a leave of absence, the member must submit the *Leave of Absence Verification* form through the school granting the leave. This form is available on the TRF Web site at <http://www.in.gov/trf/>. Sabbatical leave for advanced study, work experience, teacher exchange programs, or approved educational travel require the teacher to return to a covered position for the same length of time as the leave. Leave for disability, pregnancy, or adoption does not require a return to service. All leaves of absence are subject to the one-seventh (1/7th) rule, meaning no more than 1/7th of the total years of creditable service may be from leave of absence service credit.

Note: A member may not earn more than one year of service credit during a fiscal year.

PERF Covered Position

Service credit granted by PERF for service in a PERF covered position counts as TRF creditable service. Any overlapping service covered by both TRF and PERF is only credited once.

Other Service Credit

A member may be eligible to increase service credit totals by any one of the following methods. Generally, a member may add or purchase these years of service at the end of the first year of service in a covered position (except air time), although the service is not eligible to be used in any calculation until the member is vested (has 10 years of service credit in a covered position).

TRF may accept funds for the purchase of service in the form of a rollover from another tax-deferred retirement plan as defined in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). This trustee-to-trustee transfer should not be for more than the cost to purchase the service. Any excess amount is deposited in a Rollover ASA.

*Note: The price paid to purchase service is the actuarially calculated amount required to fund the Defined Benefit Pension. Therefore, this amount is **not** added to the member's ASA. In the event the member terminates service prior to retirement eligibility, the purchase price plus interest as described in IC 34-13-1-6 is included in the refund to the member if the member withdraws his or her ASA account. If the member returns to work in a TRF-covered position and the money has been refunded, the purchased service credit cannot be reinstated without purchasing it again.*

Out-of-State Service and Federal Service

Service from another state may qualify for TRF service credit, providing the service is in a public school and covered by a retirement fund comparable to TRF. Service at a federal agency in a position comparable to teaching in Indiana may also qualify. The member may not use this service to receive any additional benefits from another state retirement system or the federal retirement system.

The quantity and type of service credit that may be granted is dependent upon when the teacher became a member of TRF and when the service was rendered. Also dependent upon these factors are the service credit's potential for a right of transfer and a purchase price at actuarial cost. The member must submit a *Verification of Out of State Teaching Service* form to TRF to determine what service is creditable and, of that creditable service, what service is transferable and what service must be purchased. This form is available on the TRF Web site at <http://www.in.gov/trf/>.

Private School Service

If a member has teaching service in an Indiana private school that would qualify as creditable service if performed in an accredited public school in Indiana, the member may add this service credit by purchasing it at actuarial cost. The member must submit the *Verification of Indiana Accredited Private School Teaching Service* form to TRF. This form is available on the TRF Web site at <http://www.in.gov/trf/>.

Military Service

A member whose teacher training or teaching career is interrupted by service in the United States Armed Forces may be eligible for up to six years of service credit for time spent in the military. All service during periods of hostility or mobilization counts toward the six-year limit. Military service that occurred during other time periods is

To apply for military service credit, submit the DD Form 214, Certificate of Release or Discharge from Active Duty to TRF for processing.

The TRF military service credit provision is administered in conjunction with the rights of veterans under the Federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

subject to the 1/7th rule, meaning no more than 1/7th of the total years of creditable service may be from military service credit. To be eligible for free military service credit, members must have received an honorable discharge and returned to teacher training or active teaching service within 24 months of discharge.

A member whose military service does not meet these requirements may purchase up to two years of military credit at actuarial cost. To apply for military service credit, TRF requires the following documentation:

- The DD Form 214, *Certificate of Release or Discharge from Active Duty*
- An official copy of college transcripts if the military service interrupted teacher training

For assistance locating a DD214, contact the following:

**National Personnel Records
Military Personnel Records
9700 Page Avenue
St. Louis, MO 63132
(314) 801-0800
<http://www.archives.gov/st-louis/military-personnel/>**

Purchasing Additional Service

Substitute Teachers

A substitute teacher who is a member of the Fund may purchase the year of substitute teaching service earned prior to initial membership. In order to do so, the member must complete the *Verification of Prior In-State Teaching* form available on the TRF Web site at <http://www.in.gov/trf/>.

“Air Time”

A member who has earned at least 10 years of service in a covered position may purchase additional service (sometimes referred to as “air time”). The member may purchase this at actuarial cost at a rate of one year for each five years of service already earned. The Internal Revenue Service (IRS) places limits on the amount of direct contributions that may be paid by a member to a qualified plan to purchase service. The member must submit the *Request to Purchase Additional Service Credit* form. This form is available on the TRF Web site at <http://www.in.gov/trf/>.

Important Note about Service Credit

A member's service credit record receives an official evaluation at the time of retirement. Any service credit granted to a member must comply with the laws in effect at the time of retirement. TRF encourages members to request a service credit analysis approximately two years prior to retirement to allow for additional verification and correction if needed.



Defined Benefit Pension

Annual Defined Benefit Pension Formula

*Average of Top 5 Years of
Annual Compensation x
Total Years of Service x
1.1% (0.011)*

Early Retirement

*Early retirement is
available between the ages
of 50 and 59 with 15 or
more years of service
credit.*

Defined Benefit Pension

Eligibility

Vesting

A member must be vested with 10 years of service credit in a covered position to become eligible for a defined benefit pension.

Regular Retirement

To apply for normal retirement, a member must meet one of the following criteria:

- Age 65 with at least 10 years of service credit;
- Age 60 with at least 15 years of service credit; or
- Ages 55 to 59, if age and service credit total at least 85 (known as the Rule of 85)

If the member meets the age and service requirements above and chooses the A-1 payment option, the normal annual defined benefit pension is calculated by the following formula:

Average of Top 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011)

Early Retirement

Early retirement is available between ages 50 to 59 with 15 or more years of service credit. A member retiring early receives a percentage of the normal annual defined benefit pension, according to Table 2 (below). The percentage of the defined benefit pension you receive at retirement remains the same for your lifetime.

Table 2 – Early Retirement Percentage of Normal Annual Defined Benefit Pension

Age	Percentage of Benefit
59	89%
58	84%
57	79%
56	74%
55	69%
54	64%
53	59%
52	54%
51	49%
50	44%

Age 70 Benefits

A member who continues to teach in a TRF covered position after age 70 and has 20 or more years of service is eligible to retire and receive his or her defined benefit pension with no earnings limitation. During the time a defined benefit pension is received and the member is still employed in a TRF covered position, no additional service credit or salary credit are earned and thus the retirement benefit remains at the same level as when it began.

Your Benefit

Factors

The amount of a member's defined benefit pension is based on the following factors:

- Benefit multiplier: 1.1 percent (.011)
- Average annual compensation: The average of the five highest years of annual compensation earned for service in a covered position
- Years of service: Service credit earned or purchased by a member
- Member's age at retirement: Early retirement results in a reduction in the defined benefit pension
- Retirement option selected

Benefits Calculator

There are three ways a member may calculate an estimated defined benefit pension. The following are the three methods.

Method 1

Log on to the TRF Interactive Web site at <http://www.in.gov/trf> to generate an estimate based on projected final average salary and service information as well as the latest information reported from the employer. Estimates of all payout options are provided.

Method 2

From the TRF Web site, calculate an estimate by entering the projected retirement date, final average salary, and years of service.

	Example	You
Final average salary	\$50,000.00	\$ _____
Benefit multiplier	x .011	x .011
Pension base amount	\$ 550.00	\$ _____
Years of service	x 30	x _____
Annual retirement benefit	\$16,500.00	\$ _____
Monthly benefit	÷ 12	÷ 12
Calculated as an A-1 option	\$ 1,375.00	\$ _____

Method 3

From the TRF Web site or TRF Interactive Web site, calculate an estimate by using information from the member's latest *Social Security Statement*. To be eligible for this payment option, the member must be less than 62 years of age at retirement and must enter the estimated Social Security income.

Payment Options

At retirement, a member must select one of the six options included in this section for distribution of the member's defined benefit pension. Additionally, a member may choose the Social Security Integration option in conjunction with any of the six options included in this section if the member is under the age of 62 at the time of retirement. Each option provides lifetime monthly benefits paid to the member or survivor. Upon the death of the member, some options provide lump sum benefits to the beneficiary or estate. The amount of the monthly pension benefit received depends upon the member's selected option.

A-1 (5-year Certain and Life)

This pension option provides a lifetime benefit to the member. In the event the member dies before receiving five years of payments, the beneficiary receives the remainder of the five years (60 months) of guaranteed defined benefit pension payments in a lump sum.

A-2 (Straight Life)

This pension option provides the member a lifetime pension benefit to the member but the benefit ceases upon the death of the member.

Because survivor options (B-1, B-2, B-3) provide for a survivor benefit, the monthly pension benefit to the member is decreased.

Social Security Integration

Members who retire between the ages of 50 and 62 may integrate their TRF benefit with their Social Security benefit.

A-3 (Modified Cash Refund Plus 5-year Certain & Life)

This pension option provides a lifetime benefit to the member. In the event the member dies before receiving five years of payments, the beneficiary will receive the remainder of the five years of guaranteed pension payments. The Annuity Savings Account (ASA) is reduced with each monthly benefit paid; if the member dies before reducing this balance to \$0.00, the beneficiary will receive a single payment of the amount remaining. This pension option is only available with the ASA 1 or ASA 7 and Rollover 1, if applicable. This option also includes a monthly annuitization of the member's ASA. See the ASA section for details.

B-1 (100% Survivor Benefit)

With this pension option, a lifetime pension benefit is paid to the member. This option guarantees that upon the death of the member, the designated survivor receives 100 percent of the member's monthly pension benefit for the remainder of the survivor's life.

B-2 (66 2/3% Survivor Benefit)

With this pension option, a lifetime pension benefit is paid to the member. This option guarantees that upon the death of the member, the designated survivor receives 66 2/3 percent of the member's monthly pension benefit for the remainder of the survivor's life.

B-3 (50% Survivor Benefit)

With this pension option, a lifetime pension benefit is paid to the member. This option guarantees that upon the death of the member, the designated survivor receives 50 percent of the member's monthly pension benefit for the remainder of the survivor's life.

Social Security Integration

A member who retires between the ages of 50 and 62 may integrate the TRF defined benefit pension with the member's estimated Social Security benefits. TRF pays a larger monthly benefit payment to the member before age 62. However, benefit payments may be greatly reduced or terminated at age 62, depending on the member's estimated monthly Social Security disbursement. This does not affect the amount of the benefit received from Social Security.



Annuity Savings Account (ASA)

Employer Pick-Up

The 3 percent contribution to the member's ASA may be made by the employer.

Voluntary pre-tax contributions are irrevocable as long as the member remains with the current employer.

Annuity Savings Account (ASA)

The ASA may be comprised of mandatory contributions, voluntary contributions (pre- and post-tax) and investment gains and losses.

Mandatory Contributions

All active members are required to contribute three percent of their annual compensation to their ASA. This contribution may be made by the employer. This is referred to as an employer pick-up.

Voluntary Contributions

An active member may make voluntary contributions exceeding the mandatory amount (three percent of annual compensation).

Voluntary contributions may be made pre-tax or post-tax and must be made in one percent increments up to 10 percent. To make voluntary ASA contributions, the member must contact the payroll administrator of the employer.

Voluntary Pre-Tax Contributions

- These contributions are deducted prior to calculating the member's current federal and state income tax withholding, thus reducing the current taxable income;
- Social Security taxes still apply to the contributions at the time of withholding;
- Federal and state taxes are due at the time the contributions are actually received by the member;
- Earnings are tax-deferred until actually received by the member; and
- Election to participate and contribution percentage are irrevocable for as long as the member remains with the current employer.

In order to qualify for voluntary pre-tax contributions, the following requirements must be met:

- The employer must adopt a resolution enabling members to participate in this plan;
- The member must have at least five years of service credit in a covered position at the end of the previous fiscal year;
- The member has a two-year window to make an election, beginning September 1 after the fiscal year (July 1 to June 30) in

Voluntary post-tax contributions are revocable as often as the employer allows.

which the member earns five years of service credit in a covered position. For example, a member who has five years of service credit in a covered position as of June 30, 2006 has a two-year window from September 1, 2006 through August 31, 2008 in which to elect to participate in the plan; and

- The member must submit an irrevocable payroll deduction authorization form to TRF.

Voluntary Post-Tax Contributions

- Federal, state, and Social Security taxes are applied at the time of withholding;
- Earnings are tax-deferred until actually received by the member; and
- Election to participate and contribution percentage are revocable as often as the employer allows.

Investment Election Options for an Annuity Savings Account (ASA)

Standard and Poor (S&P) 500 Index Fund

The investment objective is to produce investment results matching the performance of the S&P 500 Index. The S&P 500 Index consists of 500 of the largest companies in the United States stock market. Historically, large companies have provided a more stable return than small or medium sized companies.

International Fund

The investment objective is to provide long-term growth of capital by investing in stocks of companies located outside of the United States. The Fund invests primarily in large company stocks domiciled in developed foreign markets but does invest approximately 10 percent in stocks of emerging market countries. The Fund seeks to out-perform the Morgan Stanley Capital International Europe, Australia, and Far East (MSCI EAFE) Index.

Small Cap Equity Fund

The investment objective is to provide long-term growth of capital. The Fund employs multiple investment managers investing primarily in smaller companies with market caps between \$500 million and \$5 billion.

The guarantee is provided by the assets of the Teachers' Retirement Fund and therefore, by the State of Indiana

Beneficiaries should be named to avoid potential conflicts upon the death of the member.

Quarterly statements are an unaudited and unofficial record of the member's account and are available on the TRF Interactive Web site at <http://www.in.gov/trf/>.

Bond Fund

The investment objective is to generate income and total return by investing in fixed income securities. The Fund offers diverse exposure to the fixed income market by investing in a strategic combination of investment-grade fixed income securities including corporate debt securities, treasury and agency securities, mortgage-backed securities and asset-backed securities.

Guaranteed Fund (ASA Only)

The investment objective is to provide stability of principal and a competitive rate of interest. The interest rate is set by the Board of Trustees each year and is guaranteed for the fiscal year (July 1 through June 30). The guarantee is provided by the assets of the Teachers' Retirement Fund. The underlying assets are invested 90 percent in fixed income investments and 10 percent in an S&P 500 Index Fund.

ASA Allocation Changes

Investment allocations must be in 10 percent increments, totaling 100 percent, and may be changed quarterly according to the following schedule:

Table 1 – ASA Allocation Changes Quarterly Schedule

Effective date	Must be received by
January 1	December 2
April 1	March 2
July 1	June 1
October 1	September 1

Beneficiary Designation

Beneficiaries should be named and kept current for the ASA. If no beneficiary is named, the account balance is paid to the member's estate upon death of the member.

Quarterly Statement

A member with an ASA balance and a current address on file receives a statement each quarter. This statement summarizes the member's contributions, investment elections, and investment gains or losses. The quarterly statement may also be viewed online at the TRF Interactive Web site at <http://www.in.gov/trf/>.

Quarterly statements are an unaudited and unofficial record of the member's account. All data reflected on the statement is subject to correction or adjustment upon or before retirement. This information becomes official at the time of retirement.

Voluntary Withdrawal or Disbursement of ASA Funds Other than Retirement

Eligibility

A suspended member (refer to Suspension of Membership section for more information) may make a lump sum withdrawal of the member's ASA funds. The suspended member must submit the *Application for Voluntary Withdrawal*. The withdrawal process may take up to six weeks. If a suspended member does not withdraw the ASA funds within five years of the suspension, those ASA funds are credited to TRF unless or until claimed by the former member or the member's beneficiary. ***Once credited to TRF, no further interest credits are granted for the guaranteed fund investments in the ASA account.***

If TRF suspends a membership because two years have passed since an unvested member with \$200 or less in his or her ASA was employed in a TRF covered position, TRF shall close the member's ASA account and issue a lump sum payment of the ASA balance to the member.

If the member suspends membership because the member is vested, not retired, not currently employed in a TRF covered position, and is transferring TRF creditable service to another governmental retirement plan, the member may withdraw the amount necessary from the ASA to purchase creditable service in the other governmental retirement plan. Any such withdrawal must be paid as a trustee-to-trustee transfer to the other governmental plan. If the former member reemploys in a TRF covered position, TRF service credit for the years transferred to another plan cannot be reinstated unless those years are purchased and transferred back to TRF.

Penalties

Federal Taxes

The taxable ASA amounts withdrawn from TRF before retirement are subject to mandatory 20 percent federal tax withholding unless the member elects to rollover the taxable amount into an individual retirement account (IRA) or other qualified retirement plan. If the member is under age 59½, the IRS may impose an additional 10

percent tax penalty on the taxable amount of the withdrawal unless the member elects to rollover the taxable amount into an IRA or other qualified plan.

Forfeiture of Service Credit for Defined Benefit Pension

If a member chooses to withdraw his or her ASA before retirement, the member forfeits the right to receive service credit for the years during which the withdrawn ASA funds were contributed. If the member later returns to covered employment and earns one year of service credit, the member will have his or her service credit reinstated for the years during which the withdrawn ASA funds were contributed.

ASA Options at Retirement

The following options are available to the member at retirement:

ASA 1

This option distributes the ASA as a monthly benefit. That monthly benefit is combined with the monthly pension payment, enabling the member to receive a higher monthly benefit payment. The ASA monthly benefit is paid until the member's and survivor's (if applicable) deaths.

ASA 2

This option distributes the total amount of the ASA (less mandatory Federal Income Tax Withholding) paid directly to the member. If the member is under age 59½, the IRS may impose an additional 10 percent tax penalty on the taxable amount of the withdrawal unless the member elects to rollover the taxable amount into an IRA or other qualified plan.

ASA 3

This option distributes an amount equal to the member's tax basis (after-tax contribution) in the ASA balance as it existed on December 31, 1986. With this option, the remaining taxable portion of the member's ASA is paid in the form of a direct rollover to an IRA or qualified retirement plan.

ASA 4

This option distributes part of the taxable portion of the ASA paid in the form of a direct rollover to an IRA or other qualified retirement plan (not less than \$500). The taxable portion of the ASA not directly

rolled over (less mandatory Federal Income Tax Withholding) is paid directly to the member. The member also directly receives the amount of the member's tax basis (after-tax contribution) in the ASA balance as it existed on December 31, 1986.

ASA 5

This option defers distribution until a later date. The ASA account will continue to be invested with TRF under the same guidelines applicable to an ASA. The member may change the allocation strategy of the ASA on a quarterly basis. Distribution must begin no later than April 1 after the calendar year in which the member reaches age 70½.

ASA 6

This option distributes an amount equal to the member's tax basis (after-tax contribution) in the ASA balance as it existed on December 31, 1986 and defers distribution of the remaining ASA balance until a later date. The account will continue to be invested with TRF under the same guidelines applicable to an ASA. The member may change allocation strategy of the ASA on a quarterly basis. Distribution must begin no later than April 1 after the calendar year in which the member reaches age 70½.

ASA 7

This option distributes an amount equal to the member's tax basis (after-tax contribution) in the ASA balance as it existed on December 31, 1986. The remaining ASA balance is paid as a monthly benefit until the death of the member and survivor (if applicable). This option combines the monthly pension with the remainder of the ASA so that the member receives a higher monthly benefit payment.



Rollover Savings Account (RSA)

Beneficiaries should be named to avoid issues upon the death of the member.

Rollover Savings Account (RSA)

An active member may transfer funds from an IRA or other qualified retirement plan into the Fund. TRF will only accept transfers of taxable funds. These rolled over funds along with investment gains and losses will be kept in a separate account called a Rollover Savings Account (RSA).

Investment Election Options for a Rollover Savings Account (RSA)

There are five fund options for a Rollover Savings Account.

S&P 500 Index Fund

International Fund

Small Cap Equity Fund

Bond Fund

For descriptions of these four funds, refer to the section on Investment Election Options for an Annuity Savings Account.

Money Market Fund (RSA Only)

The investment objective is to provide stability of principal while paying a competitive short term rate of interest. The fund primarily invests in short term government securities and certificates of deposit.

Rollover Savings Account Allocation Changes

The information contained in the ASA Allocation Changes section also applies to RSA allocation changes.

Beneficiary Designation

Beneficiaries should be named and kept current for the Rollover Savings Account. The beneficiary for the Rollover Savings Account may be different than those named for the ASA. If no beneficiary is named, the account balance is paid to the member's estate upon death of the member.

Quarterly Statements

The information contained in the ASA Quarterly Statements section also applies to Rollover Savings Account Quarterly Statements.

A voluntary withdrawal of the rollover account balance must withdraw the account balance in full.

Voluntary Withdrawal of Rollover Savings Account Funds Other Than at Retirement

A member may make a lump sum withdrawal of his or her Rollover Savings Account balance at any time prior to retirement by completing the *Application for Rollover Account Withdrawal* (<http://www.in.gov/icpr/webfile/formsdiv/52413.pdf>) and submitting it to TRF. A voluntary withdrawal of the rollover account must withdraw the account balance in full.

Rollover Savings Account Options at Retirement

The following options are available to the member at retirement:

Rollover 1

The Rollover 1 option distributes the entire RSA balance into a monthly benefit. This monthly benefit combines the member's monthly RSA benefit with the monthly defined benefit pension to receive a higher monthly pension benefit. The member does not receive any distribution from the RSA other than as a monthly benefit payable until the member's death.

Rollover 2

The Rollover 2 option distributes the total amount of the RSA (less mandatory Federal Income Tax Withholding) paid directly to the member.

Rollover 3

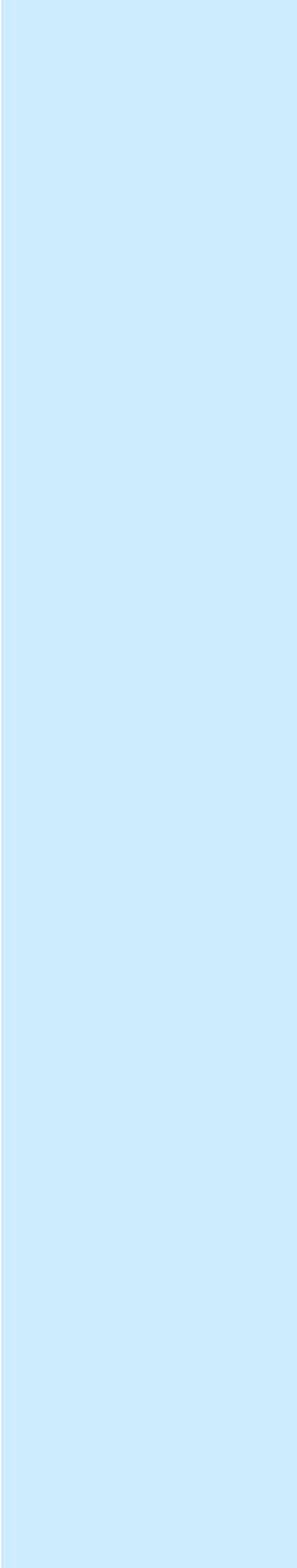
The Rollover 3 option distributes the RSA as a direct rollover to an IRA or other qualified retirement plan.

Rollover 4

The Rollover 4 option distributes part of the RSA as a direct rollover to an IRA or qualified retirement plan. The part of the taxable portion of the distribution not directly rolled over (less mandatory Federal Income Tax Withholding) will be paid directly to the member.

Rollover 5

The Rollover 5 option defers distribution of the RSA until a later date. The RSA will continue to be invested with TRF under the same guidelines applicable to a RSA. The member may change the allocation strategy of the RSA on a quarterly basis. Distribution must



begin no later than April 1 after the calendar year in which the member reaches age 70½ .



Retirement

Retirement

Retirement Appointments

Pension Administrators are available by appointment to discuss retirement options with members who are generally within two years of retirement. It is possible for these appointments to take place at school locations when set up in advance by the schools. TRF highly recommends that all members have a counseling session with one of TRF's Pension Administrators who are trained to explain all retirement options and the retirement process.

Application for Retirement

The Application for Retirement is available on the TRF Web site at <http://www.in.gov/trf/>.

Part I

Retiring members are required to complete and submit the *Application for Retirement, Part I* to TRF.

Generally, the selected payment options and survivor designations are irrevocable once the retirement application has been processed and a benefit is scheduled to begin.

Part II

The member's last employer must complete the *Application for Retirement, Part II* and submit it to TRF.

Determining Retirement Date

Your benefit accrual date is generally your last day at work. You will receive a prorated payment for that month. Your retirement date is the first of the month following your benefit accrual date. Benefits are paid 30 days in arrears.

Preliminary and Final Defined Benefit Pension Calculations and Payments

When a completed *Application for Retirement, Part I* is received, contains all the necessary information and supporting documentation, and the member's retirement date is at hand, TRF processes a defined benefit pension check for 85 percent of the estimated defined benefit pension. The member begins receiving 100 percent of the final defined benefit pension once TRF receives the completed *Application for Retirement, Part II* from the employer.

COLAs are not guaranteed annually. They are voted on each year and approved by the Indiana General Assembly.

and calculates and processes the final defined benefit pension. The member also receives the difference between the 85 percent estimated benefit and the 100 percent final benefit times the number of months the member received an 85 percent estimated benefit.

Deductions

A member may elect to have federal and/or Indiana state taxes withheld from his or her defined benefit pension payments. Additionally, if the member elects to participate in the TRF sponsored Medicare supplemental group health insurance, the member's premiums will be deducted from the defined benefit pension payments.

Cost of Living Adjustment (COLA)

COLAs are an adjustment to the member's defined benefit pension payment. COLAs are not automatic in Indiana; the General Assembly must pass legislation granting a COLA. When such legislation has been passed, it generally applies a graduated percentage increase that is greater for those who have been retired longer. TRF adds all COLAs to the defined benefit pension payments as directed by the legislation.



Working after Retirement

Beginning July 1, 2008, retirees may reemploy in a TRF or PERF covered position after a 30-day separation period.

Working after Retirement

A member may reemploy after retirement; however, the member must ensure that applicable separation from service requirements are met and abide by applicable earnings limitations.

TRF and PERF Covered Positions

Effective July 1, 2007, a member may continue to receive pension payments and reemploy in a TRF covered position with a 90-day required separation from service period before reemployment and no earnings limitation during reemployment. During reemployment in a TRF covered position, no ASA contributions are made to TRF on the member's behalf and no additional service credit or supplemental pension is earned.

A member may continue to receive pension payments and reemploy in a PERF covered position provided there is a 90-day separation period from the member's pension accrual date to the first date of reemployment in a PERF position.

However, effective July 1, 2008, a member may reemploy in either a TRF or PERF covered position after a 30-day separation period from the member's pension accrual date.

The pension accrual date is the last day of employment in a TRF covered position. For example, if a member's last day of employment in a TRF covered position was May 31, the member's first date of reemployment in a PERF covered position must be on or after July 1.

For members who do not retire at the end of their employment in a TRF covered position, the accrual date is the retirement date. ***If the member does not have a 90-day separation from service or, as of July 1, 2008, a 30-day separation, the member's retirement is voided and the member is not eligible for pension benefits. The member must repay to the Fund any amounts received for which the member was not eligible.***

Until July 1, 2008, there is an earnings limitation of \$35,000 per fiscal year while reemployed in a PERF covered position and receiving a pension from TRF. A retired member must notify TRF when the PERF covered employment earnings will exceed \$35,000 in a fiscal year so that the member's TRF pension payments are discontinued until the next fiscal year begins. After July 1, 2008, the earnings limitation is removed and no additional service credit or benefits are earned.

Prior to July 1, 2008, if the member receives a pension from TRF while earning more than \$35,000 in a fiscal year while in a PERF covered position, the member must repay to the Fund any amounts they received from TRF after earning \$35,000 in the PERF covered position.

Age 70 Reemployment

A member who is age 70 or older with 20 or more years of service may continue to receive pension payments and continue to be employed or reemploy in a TRF covered position. In this situation, there is no required separation from service period before reemployment and no earnings limitation during reemployment. During reemployment in a TRF covered position, no ASA contributions are made to TRF on the member's behalf and no additional service credit or supplemental pension is earned.

Disability Benefits

Disability Benefits

If a member with five or more years of service in a TRF covered position becomes disabled while an active teacher, he or she may be eligible for a classroom or retirement disability benefit.

Classroom Disability Benefit

Classroom disability refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet Social Security disability guidelines. Benefits are \$125 per month plus \$5 for each additional year of TRF covered service over five years. The member must be out of the classroom because of the disability for a continuous period of six months without pay before disability benefits may be paid. No teaching service may be earned while receiving the benefit.

A member must apply for classroom disability within one year of the disability's diagnosis. A physician selected by the Fund will make the initial determination of eligibility and cases will be reviewed annually for continued classroom disability benefit until age 65, at which time the member is eligible to apply for disability retirement.

If a member dies while receiving a classroom disability benefit or after returning to the classroom but prior to retirement, the member's ASA balance is reduced by the amount of any classroom disability benefits paid to the member before death. For additional information, refer to the Death of a Member section of the handbook.

Disability Retirement

To become eligible for a disability retirement, a member's disability must occur after June 30, 1984 and occur while employed in a TRF covered position or while receiving classroom disability benefits from the Fund. Additionally, the disability must qualify for Social Security disability, and the member must have at least five years of service credit in a covered position.

The member must provide proof of Social Security disability qualification to TRF. If the member has applied for but not received an award letter from Social Security, the member may still complete an *Application for Retirement* and attach a copy of the application to the Social Security Administration. TRF will process the application pending approval from the Social Security Administration.

In order to qualify for a disability retirement benefit from TRF, the onset date of the Social Security disability must be effective back to the time the member was covered by an Indiana teaching contract.

Note: In order to qualify for a disability retirement benefit from TRF, the onset date of the Social Security disability must be effective back to the time the member was an active teacher.

At least once a year until the member reaches age 65, the Fund is required to confirm that the member continues to remain eligible for Social Security disability benefits.

Disability Retirement benefit options and calculations for the defined benefit pension plan, the ASA, and the RSA are the same as those for any other retiree except that 1) the Social Security integration option is not available, 2) only the creditable service worked up to the date of the disability applies, 3) there is no early retirement reduction, and 4) the defined benefit pension payment may not be less than \$180 per month.



Death of a Member

Death of a Member

When the death of a member occurs, a representative should notify the TRF office or complete a *Death Report* (State Form 50790). This form is available on the TRF Web site at <http://www.in.gov/trf/>. The Fund reviews the deceased member's account and sends the appropriate paperwork which must be completed and returned along with a certified Death Certificate. Upon receipt of the necessary paperwork, the Fund will calculate all benefits for which the named survivors, beneficiaries, or estate may be entitled and distribute such benefits. If a member dies while receiving a classroom disability benefit or after returning to the classroom but before retirement, his or her ASA balance is reduced by the amount of any classroom disability benefits paid to the member before death.

Death While in Service

When a member dies while employed in a TRF covered position, the designated beneficiary or estate is entitled to a lump sum payment of the deceased member's ASA and RSA balance. The member's surviving spouse or dependent(s), if any, may also be entitled to a defined benefit pension based on a number of factors such as how many years of service credit the member had at the time of death, the age of the deceased member, the number of years the deceased member was married to the surviving spouse, and the age of the surviving dependents.

Death While Not in Service

If the member dies while not employed in a TRF covered position and the deceased member was not eligible to retire or was not eligible for disability retirement, the named beneficiaries or the estate are eligible to receive the balance of the ASA and RSA funds.

If the member dies while not employed in a TRF covered position and the deceased member was eligible to retire or was eligible for disability retirement but had not applied for such benefits at the time of death, the designated beneficiary or estate is entitled to a lump sum payment of the deceased member's ASA and RSA balance. The member's surviving spouse or dependent(s), if any, may also be entitled to a defined benefit pension based on a number of factors such as how many years of service credit the member had at the time of death, the age of the deceased member, the number of years the deceased member was married to the surviving spouse, and the age of the surviving dependents.

If no claim is made for benefits within three years of the member's death, death benefits are forfeited and credited to the Fund.

Death of Retiree

When a retiree dies, named survivors and beneficiaries or the deceased's estate will receive the benefits for which the retiree was eligible according to the retirement payout options chosen by the deceased.



General Information

General Information

Access to Records

TRF records are confidential with the exception of a member's name and years of service. A member's record may only be released to the member, guardian, representative of the member's estate, someone to whom the member gives express permission, attorney-in-fact (aka Power of Attorney or POA), or someone named by court order.

Guardians

A guardian is appointed by the court to oversee the legal and financial affairs (and/or the personal care) of a minor (under 18 years of age) or of an adult who is not able to manage personal affairs due to a physical or mental disability. A legally appointed guardian of a member or beneficiary may conduct TRF business on behalf of the ward after providing TRF with Letters of Guardianship or other official court documents identifying and describing the powers of the guardian. TRF does not recognize acts of the guardian or the ward that are inconsistent with guardianship.

Power of Attorney

TRF honors requests and direction from a lawful holder of a Power of Attorney (POA) document for a member. This individual is known as the attorney-in-fact. The Power of Attorney document must grant the attorney-in-fact the authority to transact business of the type requested.

If a member wants to name a Power of Attorney for TRF business only, the Fund provides a Power of Attorney Affidavit. However, this Power of Attorney only applies to TRF business and is not valid for general public use.

TRF requires a copy of the Power of Attorney. If a copy of the Power of Attorney is not in the member's file, the requested transaction by the POA will be denied.

The member retains the right to act on the member's own behalf even if powers are also granted to an attorney-in-fact.

A revocable trust is a trust whereby the member has the right to access trust funds at any time without condition.

A trust cannot be a survivor beneficiary.

TRF is a governmental plan and is exempt from the provisions of the ERISA. Therefore, TRF does not recognize QDROs.

Trusts

Payments to a Trust

Direct deposit retirement benefit payments may be made to a revocable trust [IC 5-10.2-4-7(d)]. A revocable trust is a trust whereby the member has the right to access trust funds at any time without condition.

TRF must have a copy of the trust instrument to ensure compliance with Indiana law or a sworn affidavit identifying the trust.

If the terms, conditions, or the designated trust payee instrument change, the member must immediately notify TRF and provide a copy of the new and amended trust instrument.

Trust as a Death Beneficiary

A member who intends for the death benefit to be paid to a trust must designate the trustee for the benefit of the trust as the beneficiary using the *Active Member Data Change* (State Form 43567) or *Retired Member Data Change* (State Form 44504). There is no restriction as to what type of trust can be designated as a beneficiary. A trust cannot be designated as a survivor beneficiary. These forms are available on the TRF Web site at <http://www.in.gov/trf/>.

Divorce

TRF is a governmental plan and is exempt from the provisions of the Employee Retirement Income Security Act (ERISA). Therefore, TRF does not recognize Qualified Domestic Relations Orders (QDROs) as described in ERISA.

Pursuant to IC 5-10.4-5-14, the benefits payable from the Fund are protected. This provision states the benefits due a member from TRF are exempt from seizure, levy, attachment, and other processes. Therefore, the Fund does not make any payment of a member's benefits payable to anyone other than the member. The only exception to this rule is an action by the IRS. This does not, however, relieve a member from otherwise complying with legal orders of a court.

Health Insurance

TRF sponsors a Medicare supplemental group health insurance plan available to eligible TRF retirees and spouses age 65 and over. Members under age 65 who receive a disability retirement benefit

***Supplemental Group
Health Insurance***

*For more information
contact Anthem Insurance
at (866) 648-2041.*

may be eligible to participate in the supplemental group health insurance plan. A member receives information on the available plan, options, and costs at age 65 or upon request.

For more information, contact Anthem Insurance at (866) 649-2041.



Office Information

Contact Information

Indiana State Teachers'
Retirement Fund
150 W. Market St., Ste 300
Indianapolis, IN 46204-2809
Direct: (317) 232-3860
Toll-free: (888) 286-3544
Fax: (317) 233-0914
Web site: <http://www.in.gov/trf/>
E-mail: trf@trf.in.gov

Office Information

Hours

8 a.m. to 4:30 p.m., Monday through Friday (excluding State holidays)

Contact Information

Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204-2809

(317) 232-3860 or (888) 286-3544

<http://www.in.gov/trf>

Driving Directions

The TRF office is located at the corner of Capitol Avenue and Market Street, across from the Statehouse, in the Indiana State Teachers' Association (ISTA) building. Please consider that construction projects may interfere with the below directions.

If arriving from Richmond, Indiana (I-70 W)

Take I-70 West to the Ohio Street exit. Continue heading west on Ohio Street to Capitol Avenue and turn left (south). Stay in the left lane and turn left onto Market Street (next traffic light). The office is immediately on the left.

If arriving from Ft. Wayne, Indiana (I-69 S)

Take I-69 South to I-465 South to I-70 West to the Ohio Street exit. Continue west on Ohio Street to Capitol Avenue and turn left (south). Stay in the left lane and turn left onto Market Street (next traffic light). The office is immediately on the left.

If arriving from Lafayette, Indiana (I-65 S)

Take I-65 South and merge onto N. Dr. Martin Luther King Jr. Street via Exit 114 toward West Street. N. Dr. Martin Luther King Jr. Street will become N. West Street. Turn left onto W. New York Street. Turn right onto N. Capitol Avenue. Stay in the left lane and turn left on Market Street (next traffic light). The office is immediately on the left.

If arriving from South Bend, Indiana (US 31 S)

Take US 31 South/Meridian Street to downtown Indy. Turn right on Monument Circle. Go one-quarter of the way around the circle to Market Street West. Proceed west to Capitol Avenue. The office is on the right.

If arriving from Terre Haute, Indiana (I-70 E)

Take I-70 East to the West Street exit and turn left onto West Street. Continue north on West Street to Ohio Street and turn right. Stay in right lane and turn right on Capitol Avenue. Stay in the left lane and turn left on Market Street (next traffic light). The office is immediately on the left.

If arriving from Columbus, Indiana (I-65 N)

Take I-65 North to I-70 West to the McCarty Street exit. Turn left on McCarty Street (first stop light). Continue west on McCarty to Illinois Street and turn right. Continue north on Illinois Street in the far left lane and turn left on Market Street. Proceed west to Capitol Avenue. The office is on the right.

Parking

A garage is located east of the ISTA building on the north side of Market Street between Illinois Street and Capitol Avenue. Hourly parking rates apply.

A garage is located just south of the ISTA building on the east side of Capitol Avenue between Market Street and Washington Streets. Hourly parking rates apply.

Parking meters are located on Capitol Avenue and Market Street near the ISTA building. Meter rates apply.



Frequently Asked Questions (FAQs)

Frequently Asked Questions (FAQs)

1) When am I vested with TRF?

Once you have accumulated 10 years of Indiana teaching service, PERF service, and/or approved leave of absence, you are vested in a TRF pension benefit.

2) How may I obtain my TRF number?

This number is on your quarterly statement as well as the TRF Interactive Web site. You may also obtain your number by contacting TRF at (888) 286-3544.

3) What is the TRF Interactive Web site?

This is an online tool offering members and employers convenient 24-hour account access. Active members may view and change addresses, investment allocations, and beneficiary names and addresses. Members with Annuity Savings Accounts (ASA) may also view their quarterly statements through this system. Retired members are able to view and modify address information, tax withholding information, and direct deposit information effective immediately. Investment allocation changes may be made quarterly.

4) How do I get started using the TRF Interactive Web site?

Visit the TRF Web site at <http://www.in.gov/trf/> and click on **My Account**. On the next screen, click on **Register**. Members are required to enter basic information to verify against the TRF system. After the verification process, a PIN is e-mailed to the member's registered e-mail address. The member may change the assigned PIN once the online account is created.

5) May I purchase service credit?

The assessment to purchase air time service is based on your current contract. You may purchase one year of service for every five years of Indiana earned service. However, this does not show up in your account until you are vested with 10 years of service.

6) How much does service credit cost?

TRF offers a service credit purchase calculator on the TRF Web site, <http://www.in.gov/trf/>. It estimates the cost to purchase your requested years.

FMLA service is not creditable towards retirement; however, in some cases it may be used to count towards vesting.

7) My years of service are incorrect on my Quarterly Statement. How do I correct this?

Contact the TRF office to request a service analysis on your account. If there is a discrepancy with the years, your school corporation must complete a *Verification of Prior Indiana State Teaching Service* (State Form 41625). This form is available on the TRF Web site at <http://www.in.gov/trf/forms/>.

8) Are my years of service between TRF and PERF combined at retirement?

Yes. As of July 1, 2008, you have the choice of which fund you prefer to retire from, TRF or PERF. Until July 1, 2008, if your most recent employer prior to retirement is a TRF covered employer, TRF requests your PERF service be transferred to TRF at the time of retirement. If your most recent employer prior to retirement is a PERF covered employer, your TRF years of service are transferred to PERF.

9) Is service credit is granted for sick leave?

Service credit may be added for unpaid sick leave.

10) Do I earn service credit if I take Family Medical Leave (FMLA)?

No, FMLA service is not creditable towards retirement; however, in some cases it may be used to count towards vesting.

11) I was in the military. Am I able to add this service to my account?

Yes, but only if your teaching service or four-year college training was interrupted by military service. In order to evaluate this, TRF requires a copy of your DD214 and college transcripts from before and after your military service.

12) I taught many years ago. How do I find out if I have money in a retirement account?

Contact the TRF office to verify if you have an account balance.

13) I haven't taught in several years. How do I withdraw the money from my account?

If you are not vested (less than 10 years of service) and do not plan to return to teaching in Indiana, you may withdraw by completing an *Application for Voluntary Withdrawal* (State Form 18521) available on the TRF Web site at <http://www.in.gov/trf/>. If

you are vested (at least 10 years of service) you may withdraw your ASA balance; however, you forfeit your pension benefit.

14) What does my retirement account consist of?

Your retirement account has at least two parts: a Defined Benefit Pension and an Annuity Savings Account (ASA). The pension is paid as a lifetime monthly benefit and is funded by the State and your employer. To become eligible, members must be vested with 10 years of Indiana service in a covered position.

Annuity Savings Accounts are made up of contributions from members and/or employers.

Members are immediately vested in their ASA and receive a detailed statement each quarter with account activity and balance information.

Members may add a third part to their retirement account by creating a Rollover Annuity Savings Account.

15) When am I eligible to receive an unreduced pension benefit?

Age 65+ with 10 years of creditable service; or

Age 60+ with 15 years of creditable service; or

Age 55+ if age and creditable service total at least 85 (Rule of 85).

16) If my last day of work is June 1, what is my retirement date?

Your retirement date is July 1. Your retirement date is the first day of the month following your last day of work.

17) If my birth date is August 1 and I am not eligible for retirement until my birth date, what is my retirement date?

August 1. Because the date of birth falls on the first of the month, it is used as the retirement date. However, if your birth date is August 2, your retirement date would be September 1.

18) I am unable to reconcile the retroactive amount in my new retirement letter to my retirement date. How did TRF reach this figure?

If a member goes directly from teaching into retirement without any delay due to age or late submission of application, the member receives retroactive pay back to the last day of work. The retroactive pay received is the difference between the final monthly benefit amount and the 85 percent checks already received, as well as the full amount for the number of days in the

month after their last day of work (TRF always uses 30-day months). In addition, remember that TRF benefits are paid one month in arrears.

19) Am I able to borrow from my Annuity Savings Account without collecting my pension?

No, you may not borrow from your ASA; however, if you quit teaching you may withdraw the entire balance and forfeit your pension unless you return to teaching for one year to reinstate the service.

20) If I roll over my annuity, does that affect my monthly retirement benefit?

Yes, depending on which retirement option you elect. TRF recommends doing a benefit calculation to see the different payment options with and without the ASA paid as a monthly benefit. You may calculate an estimate on the TRF Interactive Web site or by contacting the TRF office.

21) If I roll over money from an IRA to TRF, does the benefit from the IRA continue for the rest of my life?

If you elect to take your rollover account as a monthly benefit, when you retire you will receive a set amount each month for the rest of your life.

22) The benefit calculator does not download my current information; how do I get an estimate with my updated information?

In order to calculate an estimate using your current information, you must select Method 1. This method requires you to log onto your account through the TRF Interactive Web site.

23) I would like to calculate an estimate by entering my information manually; which method should I choose?

You should choose Method 2 or 3 to enter your information. When entering a year use the full digits (Ex: 1958, not 58).

24) I am the child and Power of Attorney (POA) of a member who is not deceased; am I able to obtain information on the account?

Yes, provided that POA papers are on file at TRF. If no POA papers are on file, TRF is unable to release any information to the POA.

There is a difference between a beneficiary and a survivorship. A beneficiary is for the A-1 or A-3 options and is limited to five years certain and life for the pension. A survivorship is for the B-1, B-2, and B-3 options, and upon the death of the member, pays out for the lifetime of the survivor.

25) My wife and I are both members of TRF. If we each name the other beneficiary, does the surviving spouse receive the beneficiary's retirement as well as the surviving spouse's own retirement? Can a spouse receive retirement as the beneficiary if he or she is still working and contributing to TRF?

Yes, upon your death your beneficiary or survivor receives a benefit additional to any retirement benefit the beneficiary or survivor may have earned/is receiving as the beneficiary or survivor's own pension benefit. The beneficiary or survivor still receives this benefit even if the beneficiary or survivor is currently teaching.

Remember: There is a difference between a beneficiary and a survivorship. A beneficiary is for the A-1 or A-3 options and is limited to five years certain and life for the pension. A survivorship is for the B-1, B-2 and B-3 options, and upon the death of the member, pays out for the lifetime of the survivor.

26) I am over age 70 and still working; what are my options?

The IRS allows members of pension plans who meet certain minimum age and service requirements to continue working without a separation from employment or earnings limitation. For TRF, the minimum age is 70 and the minimum years of service are 20. If a member elects to begin receiving a benefit under this rule, the member no longer earns service credit when the TRF benefit begins.

27) How soon can I return to teaching after I retire?

There is a 90-day required separation period from your benefit accrual date. For a member who delays retirement, the 90-day separation begins when the benefit starts. If a member returns to teaching prior to the 90-day separation period, the member must repay the benefits paid to date.

However, as of July 1, 2008, the required separation period is reduced to 30 days.

28) How does TRF determine my pension benefit?

There are several options to choose from; however, under the A-1 option, the TRF pension formula is your average salary of the five highest years x 1.1% x years of service.

29) What is Early Retirement?

If you are age 50–59, have a minimum of 15 years of service, and do not meet the Rule of 85 (age + years of service = 85), you may take early retirement. You receive a reduced pension benefit based on your age at early retirement:

Table 3 – Early Retirement Age and Reduced Pension Benefit Percentage

Age	Pension Benefit	Age	Pension Benefit
50	44%	55	69%
51	49%	56	74%
52	54%	57	79%
53	59%	58	84%
54	64%	59	89%

The reduced pension amount determined at retirement remains at the same percentage for the lifetime of the member.

30) The online benefits estimate calculator shows a monthly total before age 62 and after age 62. Why are these numbers different and which should I use for my retirement planning?

The before and after age 62 are for the Social Security Integration option. This option is available if retiring between the ages of 50 and 62. It pays a higher benefit until age 62 (the earliest age Social Security could begin) and a reduced benefit beginning at age 62. If you are not taking the Social Security Integration option, you should ignore those two columns.

31) I have a birth certificate to send with my application for my funds. How can I guarantee this document will remain intact?

TRF only needs a photocopy of your certified birth certificate. If you send TRF the original, be sure to attach a note requesting the original be mailed back to you.

32) If I defer distribution from my Annuity Savings Account, can I withdraw the non-taxable balance and defer just the taxable portion?

Yes, you may withdraw all non-taxable contributions made before December 31, 1986.

33) If I defer distribution from my Annuity Savings Account and have already received the non-taxable portion of the balance, can I make periodic withdrawals from the taxable annuity?

No. You can choose to annuitize your ASA with your monthly pension or you can take a lump sum distribution of the taxable portion of the balance.

34) If I choose to integrate my TRF pension with my estimated Social Security benefit, does it change what I collect from Social Security?

No.

35) When I retire can I name anyone as a survivor?

Yes, but the IRS places restrictions on what survivor options you elect if your survivor is a non-spouse.

36) Can my survivor name a survivor once my survivor is receiving my benefit?

No.

37) How do I report the death of my spouse?

You need to complete a *Death Report* (State Form 50790). You can find the *Death Report* on the TRF Web site at <http://www.in.gov/trf/>. If you do not have internet access, you should contact the TRF office, toll-free, at (888) 286-3544 for a copy of the form. It needs completed and returned to TRF.

38) I have not received my check, and it is usually here before the first of the month. How can I ensure I receive my check each month on the first?

Direct deposit is the only way to guarantee your check is in your account on the first of each month. For checks that are sent through the mail, TRF must allow the post office 10 days to deliver the check to you. If you have not received your paper check by the tenth of the month, contact the TRF office and TRF will issue a replacement check.

39) If the first of the month falls on the weekend or a holiday, when is my money deposited?

In the case of a weekend or holiday, the direct deposit is always deposited on the first business day before the first of the month. The exception to this is January 1, when TRF must wait until the first business day of the new calendar year.

40) How do I obtain a total of insurance premiums paid for my taxes?

This information is not disclosed on the 1099-R but does appear on the stub of the benefit payment as Insurance Deduction “to date” figure.

41) Am I able to request an adjustment of my Anthem insurance deduction through TRF?

No, but you may request adjustments directly through Anthem. Open enrollment elections become effective May 1.

42) The 1099-R I received this year does not reflect my total gross distribution for the year. How do I get a corrected version?

While it is possible TRF has made an error and needs to send a corrected 1099-R, there may be a legal reason for the suspected discrepancy. For the year in which a member reaches 60 years of age, TRF sends two 1099-Rs. The first reflects a distribution code of 2 in box 7. This indicates two things: first, the taxpayer has not reached the age of 59½ and second, the distribution is from a Qualified Retirement Plan after separation from service where the taxpayer has reached age 55. The second 1099-R reflects a distribution code of 7 in box 7. This indicates a normal distribution from a plan when a taxpayer is at least age 59½. The combined amounts from both 1099-Rs agree with the total benefits received for the year.

43) Can TRF help me with preparing my taxes?

TRF cannot provide tax advice or consultation, as the regulations regarding the filing of personal state and federal tax are outside of TRF’s scope.

44) Why can’t TRF make direct electronic (direct deposit) transfers of rollover payments instead of sending me a paper check which I then have to mail to the rollover company?

TRF’s policy requires that the payment be sent directly to the member, as most companies require paperwork to be completed prior to the transferring of funds.

Indiana Retired Teachers' Association (IRTA) Web site is located at <http://www.retiredteachers.org/>

45) I noticed an amount of \$30 for dues deducted from my monthly check. What is this?

The only dues TRF is able to withhold are from the Indiana Retired Teachers' Association (IRTA). Membership in IRTA is handled through that organization. At the member's request, TRF withholds those dues and in turn submits payment to IRTA. TRF is not associated with IRTA. For more information visit IRTA's Web site at <http://www.retiredteachers.org/>.

46) Why are the insurance premiums still being deducted from my check? I called Anthem on this and told them to cancel the insurance.

TRF cannot stop the deduction until notification is received from Anthem. If it has been a while since you contacted Anthem, call them again. Anthem's toll-free number is (866) 649-2041.

47) I did not receive my 1099-R. Can you send it again?

You may obtain a copy of your 1099-R through the TRF Interactive Web site or by contacting the TRF office, toll-free, at (888) 286-3544.

48) Why did I receive two 1099-Rs and what are Box 5 and Box 2a?

You may have received two 1099-Rs because you turned 59½ last year. The IRS requires these forms be separated. You may add them together when reporting your taxes. Box 5 is money you made while you were working and on which taxes have already been paid. Box 2a on the 1099-R is the amount you must report as taxable income to the IRS.